
HOUSE BILL No. 1109

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-2.5-5-39.

Synopsis: Back to school sales tax holiday. Provides a sales tax exemption each year for school supplies and articles of clothing priced at less than \$100 each that are purchased during the ten day period beginning on the first Friday in August.

Effective: July 1, 2003.

Hasler

January 7, 2003, read first time and referred to Committee on Ways and Means.

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First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

HOUSE BILL No. 1109

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-2.5-5-39 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2003]: **Sec. 39. (a) This section applies to transactions occurring**
4 **during the ten (10) day period beginning 12:01 a.m. on the first**
5 **Friday in August and ending 11:59 p.m. on the Sunday that follows**
6 **ten (10) days later.**

7 **(b) As used in this section, "clothing" means the following:**

8 **(1) A shirt.**

9 **(2) A pair of pants.**

10 **(3) A pair of socks.**

11 **(4) A pair of shoes or boots.**

12 **(5) An undergarment.**

13 **(6) A belt buckle.**

14 **(7) A jacket or overcoat.**

15 **(8) A pair of gloves or mittens.**

16 **(9) A hat.**

17 **(c) As used in this section, "school supplies" means an item**



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1 purchased for use in a classroom or at home with respect to a
2 school assignment. The term includes but is not limited to the
3 following:

- 4 (1) A pen.
- 5 (2) A pencil.
- 6 (3) Paper.
- 7 (4) A binder.
- 8 (5) A notebook.
- 9 (6) A book.
- 10 (7) A book bag.
- 11 (8) A lunch box.
- 12 (9) A calculator.

13 The term does not include a computer, a computer part, or a
14 computer accessory.

15 (d) Sales of clothing priced at less than one hundred dollars
16 (\$100) are exempt from the state gross retail tax. The exemption
17 provided under this subsection applies to each article of clothing
18 purchased during the period described in subsection (a).

19 (e) Sales of school supplies are exempt from the state gross retail
20 tax. The exemption provided under this subsection applies to
21 school supplies purchased during the period described in
22 subsection (a).

23 (f) A discount, a coupon, or other credit offered either by a
24 retail merchant or a vendor of the retail merchant to reduce the
25 final price of the article of clothing to the customer must be taken
26 into account in determining the selling price of the article of
27 clothing for purposes of this section.

28 (g) The department may adopt rules under IC 4-22-2 to
29 implement this section.

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